

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 SS-15 STR-04
CEA-01 PA-01 PRS-01 L-03 USIE-00 INRE-00 SSO-00
NSCE-00 AGRE-00 /074 W
-----001076 311633Z /50

O R 311605Z AUG 77
FM AMEMBASSY HELSINKI
TO SECSTATE WASHDC IMMEDIATE 1805
INFO AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY STOCKHOLM

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USOECD

EO 11652: N/A
TAGS: EFIN, FI
SUBJECT: ANNOUNCEMENT OF 3 PERCENT DEVALUATION OF FINNMARK

1. AT 1600 HOURS TODAY, AUGUST 31, THE GOVERNMENT ANNOUNCED AS PART OF A PACKAGE OF "MEASURES FOR THE IMPROVEMENT OF EMPLOYMENT, RESTRAINT OF INFLATION, AND SAFEGUARDING OF PURCHASING POWER OF WAGE EARNERS' INCOMES" THAT THE AVERAGE LEVEL OF EXCHANGE RATES VIS-A-VIS THE FINNMARK WILL BE RAISED BY 3.1 PERCENT, I.E. THE FINNMARK WILL BE DEVALUED THREE PERCENT.

2. ONE BANKING OBSERVER SHARED THE EMBASSY'S IMMEDIATE REACTION THAT THE SMALL SIZE OF THE DEVALUATION MAY BE ATTRIBUTED LARGELY TO THE IMPORTANCE FOR THE GOVERNMENT'S ECONOMIC POLICIES OF AVOIDING RENEGOTIATION OF THE TWO-YEAR
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WAGE AGREEMENTS ARRIVED AT LAST SPRING, WHICH A LARGER DEVALUATION WOULD HAVE TRIGGERED. HE COMMENTED THAT THE MOVE DOES LITTLE TO RECTIFY WHAT IN HIS VIEW AND THAT OF MANY BUSINESS AND FINANCIAL OFFICIALS HERE IS A SUBSTANTIAL OVERVALUATION OF THE FINNMARK. ON THE OTHER HAND, WITH THE NEED TO ARRIVE VIRTUALLY SIMULTANEOUSLY AT A VALUATION DECISION, AN AGRICULTURAL

INCOMES SETTLEMENT, WHOSE ACHIEVEMENT
WAS AMONG THE MEASURES ANNOUNCED, AND BUDGET PROPOSALS
FOR INTRODUCTION IN PARLIAMENT, THE GOVERNMENT WAS FACED WITH
AN INTER-RELATED SET OF PROBLEMS TO BE DEALT WITH IN VERY SHORT
ORDER. FOR THE TIME BEING, THE CONSIDERABLE THREAT TO
THE CONSENSUS UNDERLYING GOVERNMENTAL ECONOMIC POLICIES
APPEARS TO HAVE BEEN OVERCOME.
RIDGWAY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVALUATIONS, CURRENCY CONTROLS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 31-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HELSIN01918
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770315-0138
Format: TEL
From: HELSINKI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977084/aaaaadgn.tel
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Litigation History:
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TAGS: EFIN, FI
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